

# American

## NEWS & VIEWS

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U.S. Leaders Monitoring Greek Financial Crisis.....	1
Secretary Clinton To Entrepreneurs: Build Up Your Societies .....	1
Online Journalists Increasingly Risk Censorship, Imprisonment.....	2
Infrastructure Transformation in Africa an Urgent Priority .....	3

## U.S. Leaders Monitoring Greek Financial Crisis

By Merle David Kellerhals Jr.  
Staff Writer

Washington — President Obama has spoken with German Chancellor Angela Merkel about Greece's unfolding economic crisis and the importance of action by Greek officials to begin preparing the necessary measures to respond, the White House says.

"This is something that is of great concern to the president," White House deputy press secretary Bill Burton told reporters April 28. "We're monitoring it very closely. And officials from Treasury [Department] and other appropriate agencies are in close contact ... about that issue."

The president spoke with Merkel by telephone April 28, and according to the White House, "they discussed the importance of resolute action by Greece and timely support from the [International Monetary Fund] and Europe."

Earlier, the Greek government formally requested an international funding package to pull the country out of a debt crisis. Prime Minister George Papandreou announced on Greek television April 23 the activation of up to 45 billion euros, or \$60 billion, in loans expected from the European Union and the International Monetary Fund (IMF). Officials from the European Commission, European Central Bank and IMF have been holding talks in Athens to complete terms of the anticipated aid package.

The Greek government has already begun readying severe austerity measures to secure the multibillion euro assistance. And the IMF has pledged to increase the 45 billion euro aid package for Greece to nearly 120 billion euros over a three-year period to thwart the financial crisis. Customarily, the austerity measures have to be in place as the aid package takes effect.

Papandreou was in Washington March 9 for consultations with key U.S. leaders on the financial crisis that has gripped his country and pushed the government's budget deficit to 12.7 percent of Greece's annual gross domestic product, which is the sum of the nation's goods and services. Papandreou is attempting to reduce the deficit to about 8 percent of GDP, and he blames much of the nation's economic woes on widespread financial speculation that is largely unregulated in markets across the globe, and is the subject of intense scrutiny by the Group of 20 advanced and emerging economies.

Previously, the Standard & Poor's credit rating services agency announced a downgrade in the credit ratings of

Greece, Spain and Portugal.

At a joint press conference with Papandreou March 9, Secretary of State Hillary Rodham Clinton said that "among our most pressing, shared challenges today is the global economic crisis that has thrown people out of work, shuttered businesses, [and] drained government coffers in both the United States and Greece. I want to commend the prime minister for his leadership in tackling the challenge that he confronted upon taking office."

"We support Greece and the tough economic measures it is taking to address this issue," Clinton added. Papandreou is implementing measures designed to reduce government spending and repair the nation's tax system.

Clinton said that neither the prime minister nor the Greek government has asked the United States for financial assistance. Papandreou was in Washington seeking U.S. support in the Group of 20 (G20) industrialized and developing economies to push for changes in regulatory regimes governing some of these highly speculative financial instruments that have been used "to the detriment not only of Greece, but of other nations, including our own," Clinton said.

The U.S. Senate is considering legislation that would institute new financial industry reforms similar to what has been discussed by the G20 nations in two summits in 2009 in London and Pittsburgh. The president has said it is essential for the United States to strengthen financial rules to lessen chances of another economic recession.

While in Washington, Papandreou, who assumed office in October 2009, also held meetings with Treasury Secretary Timothy Geithner, but he told reporters that he did not ask for financial assistance. White House press secretary Robert Gibbs said that the administration believes the European Union is in the best position for helping Greece manage its economic situation.

## Secretary Clinton To Entrepreneurs: Build Up Your Societies

By Andrezej Zwanecki  
Staff Writer

Washington — U.S. Secretary of State Hillary Rodham Clinton is telling entrepreneurs from around the world to become agents of change in their countries.

Speaking to delegates at the closing of the Presidential Summit on Entrepreneurship April 27, Clinton said that entrepreneurs not only can contribute to economic development and job creation, but also can "promote shared prosperity, call for open and accountable governance, [and] help expand access to services like

healthcare and education.”

“These are the pillars of stable, thriving societies,” Clinton said. “And you are the people with the talent and opportunity to help build them.”

The secretary said that engaging through entrepreneurship can benefit every country — including the United States — by forging closer trade, education, and science and technology ties and by increasing cooperation on global challenges like hunger, poverty or climate change.

“Relations between nations are sustained by the connections between their peoples. And so we are all stronger for your time together here,” Clinton told delegates, who have discussed issues, networked and learned at the two-day summit and at 30 events following it.

The secretary said that entrepreneurs can count on the United States to be their partner as the Obama administration pursues a new approach to foreign policy based on shared values, mutual respect and mutual responsibility.

She said the new direction is based on investment rather than aid, and on supporting local leadership and ideas.

“We believe that this approach is more likely to yield lasting results in the form of greater security, dignity, prosperity, and opportunity for more people worldwide,” Clinton said.

She called on other governments to help facilitate this progress by creating environments that nurture entrepreneurship and by making the reforms needed to tap the energy and creativity inherent in it.

The Obama administration has announced a host of new private-public partnerships designed to help entrepreneurs, especially those in Muslim-majority countries, to hone their skills and gain access to resources. The partnerships include an innovative online mentoring project designed to help entrepreneurs around the world find expert mentors. The day after the summit at a meeting with women delegates, the secretary herself launched several new initiatives aimed at women entrepreneurs.

At the summit several business leaders said the lack of an entrepreneurship culture and a related fear of failure discourage business formation and private initiative in some countries. Fadi Ghandour, head of Aramex, a transportation and shipping company and the first Arab-based firm to be listed on the NASDAQ stock exchange, said the only way to overcome this is to teach

entrepreneurship in schools. Talent is not innate, he said, it is learned and can be taught.

Ghandour said that the oil-rich countries that spend billions of dollars to extract their mineral wealth now need a massive investment “to develop the human mind.”

“The brain is the only renewable energy that we have,” he added.

Ghandour said successful entrepreneurs need to “bully governments” to get this done.

### **Online Journalists Increasingly Risk Censorship, Imprisonment**

By Jane Morse  
Staff Writer

Washington — For the first time, the number of online journalists in prison almost surpasses the number of jailed traditional print and broadcast journalists, according to the Center for International Media Assistance (CIMA), an initiative of the National Endowment for Democracy, a private, nonprofit foundation dedicated to strengthening democratic institutions around the world.

In a special event on Capitol Hill April 27 in honor of World Press Freedom Day on May 3, CIMA, with the support of the U.S. Congressional Caucus for the Freedom of the Press, hosted a morning-long panel discussion entitled “Bloggers Behind Bars.”

“The battle for press freedom has moved online,” said Robert Mahoney, an experienced international journalist and deputy director of the Committee to Protect Journalists (CPJ). In its 2009 prison census, CPJ found that at least 68 bloggers, Web-based reporters, and online editors are under arrest worldwide, constituting about half of all journalists now in jail, he said.

Online journalists are especially vulnerable to persecution, Mahoney said, because most of them are independent freelance writers without the protection of an established media company that would have the legal resources and political connections to keep them out — or get them out — of prison. Bloggers without a high profile on the international stage are especially vulnerable to intimidation, abduction and worse, he said.

And it’s not just repressive governments that are hunting down online journalists, Mahoney said. Powerful gangs seek to silence bloggers who dare to expose the illegal activities of criminal organizations, he said.

Repressive regimes can halt the use of the Internet more easily than they can close down news organizations, according to Mahoney. Filtering systems, firewalls and

pressure on service providers are their tools for suppressing free speech, he said, adding that Internet service providers have little motivation to protect online journalists.

The tactics for silencing online journalists differ by country, said Robert Faris, the research director for the Berkman Center for Internet and Society at Harvard University. Internet filtering is especially prevalent in Syria, for example, while Egypt doesn't attempt to block the Internet but does go after the online journalists themselves, he said.

Faris said that repressive governments are becoming more sophisticated in using the Internet to suppress free speech. And for every blogger they put in jail, a real — but undocumented — “chilling effect” is put on other bloggers, he said. Even so, bloggers in general have succeeded in expanding accepted political discussion not tackled by traditional media outlets, Faris said.

According to Tienchi Martin-Kiao, the president of the Independent Chinese PEN Center, a nonprofit organization supporting journalism freedom in China, the Chinese government has developed a sophisticated filtering system designed to flag words it finds inflammatory. Nonetheless, Chinese bloggers and their readers, she said, have gotten around censorship by developing their own language — a sort of “electronic vocabulary” used to criticize the government while evading the “Internet police.” But it's a “cat-and-mouse” game, Martin-Kiao acknowledged, and the Chinese government can often make blog entries not to its liking disappear within minutes of their posting.

Omid Memarian, an Iranian journalist and blogger who in 2004 spent time in prison for his work, said many former Iranian officials have turned to blogging to criticize the current government. “The more people who have access to the Internet and [free] discourse, the more they can pressure the government” for change, he said. Memarian emphasized that activist bloggers need access to proxy websites with online security to evade government suppression.

But Faris said circumvention technology is only a short-term solution. “This is a political problem that needs a political solution,” Faris said. Attacking Internet censorship, added Mahoney, requires an international commitment.

The Obama administration, for its part, is reinvigorating the Global Internet Freedom Task Force as a forum for addressing threats to Internet freedom around the world. Secretary of State Hillary Rodham Clinton, in a major speech delivered in January, said the United States is urging U.S. media companies to take a proactive role in

challenging foreign governments' demands for censorship and surveillance.

“The private sector has a shared responsibility to help safeguard free expression,” Clinton said. “And when their business dealings threaten to undermine this freedom, they need to consider what's right, not simply what's a quick profit.”

Clinton also said the Obama administration is “encouraged” by the work currently being done by the Global Network Initiative, which is a voluntary effort by technology companies — along with nongovernmental organizations, academic experts and social investment funds — to respond to government requests for censorship. As a part of the U.S. government commitment to support responsible private-sector engagement on information freedom, the State Department held a high-level meeting in February to bring together companies that provide network services for talks about Internet freedom.

### **Infrastructure Transformation in Africa an Urgent Priority**

*“Building Dynamic Growth in Africa” focus of CCA infrastructure conference*

By Charles W. Corey  
Staff Writer

Washington — Now is the time for transformation of Africa's infrastructure, and African leaders understand the importance of that task, a senior World Bank official told the fourth annual U.S.-Africa Infrastructure Conference April 28.

Addressing a packed ballroom in Washington on the first day of the three-day conference, which is sponsored by the Corporate Council on Africa (CCA), Katherine Sierra, the World Bank's vice president for sustainable development, said it was in 2005 at the Group of Eight industrialized nations summit in Gleneagles, Scotland, that world leaders pointed to Africa's infrastructure as a key factor in determining the pace of sustained economic growth and development on the continent.

Sierra said that, in response, the World Bank and other groups put together the Africa Infrastructure Diagnostic — a set of data to determine the status of Africa's infrastructure. Data were collected for 24 countries, and now the study is expanding to include some 40 more countries, she said.

“We all know that Africa's infrastructure is sparse,” Sierra said. “We should also recognize that it is extremely expensive compared to other regions of the world.”

Sierra said the costs of infrastructure services in sub-

Saharan Africa are at least double those in South Asia, and in some areas are five times higher. She attributed this disparity to a lack of large-scale economies, the high costs of electric power, and a lack of competition.

"Thin markets in Africa are often characterized by monopolies or cartels leading to high profit margins for a limited number of service providers, inefficiencies and therefore high prices. So we need to tackle more economies of scale issues and introduce more competition," she said.

In looking at data on water resources, electrical power, transportation, and telecommunications, Sierra said water resource management and hydropower issues are complicated by Africa's geography. Africa has 20 countries with populations of less than 5 million, another 20-plus countries with a gross domestic product of less than \$5 billion, and 60 international river basins that are shared several countries. The focus, she said, should be on regional solutions.

Each infrastructure sector in Africa has a different story to tell, according to Sierra. The power sector is in a crisis situation: "We have 30 countries facing chronic blackouts," she said. As a result, businesses are giving up in some cases on public- and private-sector solutions, and resorting to expensive individual options.

To put this in perspective, she said, "the entire capacity for electric power in sub-Saharan Africa with its 48 countries and population of 800 million is not more than Spain, with a population of 40 million." Guinea-Bissau, for example, has the ability to generate only a small amount of electric power — the same amount of power it takes to electrify the World Bank complex in Washington, she said.

Only one-fifth of Africa's population has access to electricity or modern forms of energy, compared to one-half of the population in South Asia and four-fifths in Latin America, she said. Even by 2050, universal access to electricity in sub-Saharan Africa will not happen — a situation that she called "totally unacceptable."

While there are potential African geothermal and hydropower resources, they would require large private-sector investment because they are often far away from the region's population centers and require outlays for transmission lines from the countryside into the cities.

Looking at transportation, Sierra acknowledged that air transport has expanded in eastern and southern Africa but remains "cumbersome and declining" in west and central Africa. Safety also remains an issue, she added.

On ports, the volume of cargo is growing and has more

than tripled in the past decade. That is an "early marker" for growth across the continent, she said. But she warned that containerization is still low and inland transportation linkages are weak. As with water resources, the need is for regional solutions. "We need to focus on regional hubs and the efficient trans-shipment around the coast and inland linkages," she said.

Sierra said the significance of the railway sector has fallen over the past 30 years, in part due to poor maintenance and other adverse economic and infrastructure factors. And she cited the desperate need for more roads to facilitate agricultural productivity in Africa. But she cautioned that road maintenance is an issue: every dollar of delayed road maintenance ends up costing four dollars to restore the existing road, she explained.

On water, Sierra said African countries have failed to harness water for development and water storage facilities and dams — needed to mitigate floods and droughts — are inadequate. "Today, only 5 percent of Africa's land is irrigated," she said.

One sector where Africa has made great progress is telecommunications, Sierra said. In 1999, only 5 percent of Africa's population lived within range of a mobile phone signal. Now, that number is 60 percent, she said. That saturation percentage could be expanded to 90 percent through deregulation and greater competition, she added.

Sierra said studies show that a \$93 billion investment is needed annually in Africa's infrastructure, but currently, only \$45 billion is being invested each year. Closing this gap, through additional funding and through increased efficiencies, is an urgent challenge.

The CCA conference on "Building Dynamic Growth in Africa" is focusing on key sectors of African infrastructure that present investment opportunities. The conference will also address the issue of mitigating the effects of climate change in Africa.

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